

Message Text

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ORIGIN COME-00

INFO OCT-01 EUR-12 IO-13 ISO-00 STR-07 AGR-05 TRSE-00
EB-08 CEA-01 CIAE-00 DODE-00 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 PA-01 CTME-00 AID-05
SS-15 ITC-01 SP-02 SOE-02 OMB-01 DOE-15 NSCE-00
ICAE-00 SSO-00 INRE-00 (ISO) R

DRAFTED BY COMMERCE/MMALASHEVICH
APPROVED BY STR/SLLANDE
COMM/BIEPR/TNAD/DSCHLECHTY
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-----125828 191450Z /72

O 191306Z JUN 78
FM SECSTATE WASHDC
TO AMEMBASSY BUDAPEST IMMEDIATE
INFO USMISSION GENEVA IMMEDIATE

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E.O. 11652: N/A

TAGS: HU, MTN

SUBJECT: MTN REQUEST EXERCISE FOR HUNGARY

REFS: (A) BUDAPEST 03974, 11/15/77; (B) GENEVA 11002,
11/25/77; (C) STATE 277903, 11/19/77; (D) STATE 136978

1. USG IS CURRENTLY EXPLORING POSSIBLE REQUESTS FOR NON-
TARIFF MEASURE LIBERALIZATION TO BE MADE OF HUNGARY IN
MULTILATERAL TRADE NEGOTIATIONS (MTN) SHOULD U.S. HUNGARIAN
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TRADE AGREEMENT BECOME EFFECTIVE WITHIN MTN TIMEFRAME,
ENABLING US TO EXTEND MFN TREATMENT TO HUNGARY. UNDER
CURRENT TIMETABLE, WE WISH TO TABLE ALL REQUESTS IN GENEVA
BY THE LATTER PART OF JUNE.

2. WHILE WE WOULD APPRECIATE ANY INFORMATION REGARDING
HUNGARIAN NONTARIFF MEASURES WHICH EMBASSY CAN DEVELOP

SOONEST IN ORDER TO MEET THE DEADLINE, WE WOULD PARTICULARLY
LIKE INFORMATION REGARDING THE FOLLOWING:

(A) CUSTOMS AND ADMINISTRATIVE ENTRY PROCEDURES, INCLUDING
TREATMENT OF SAMPLES AND REPAIRED ITEMS, CUSTOMS FORMALITIES
AND CUSTOMS DOCUMENTATION REQUIREMENTS;

(B) DISCRIMINATORY TAXES (NATIONAL TREATMENT AND CEMA
VS. NON-CEMA TREATMENT);

(C) BARRIERS TO ADVERTISING IN HUNGARY BY U.S. COMPANIES
AND ANY OTHER SERVICES-RELATED NTMS OF WHICH EMBASSY IS
AWARE;

(D) SPECIFIC QUANTITATIVE RESTRICTIONS, PARTICULARLY DIS-
CRETIONARY LICENSING FOR SHIPMENTS WORTH MORE THAN 5,000
FORINTS (REF. A).

(E) BUSINESS FACILITATION MATTERS, INCLUDING GOH'S WITH-
HOLDING OF "DETAILED STATISTICAL INFORMATION REGARDING
ITS TRADE" (REF. C). WASHINGTON HAS ONLY RECEIVED
OUTDATED STATISTICS IN HUNGARIAN AND IS SERIOUSLY CON-
SIDERING REQUEST IN MTN FOR HUNGARY'S PUBLICATION IN
ENGLISH OF ITS MONTHLY TRADE STATISTICS ON A PRODUCT-BY-
COUNTRY BASIS.

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3. REGARDING HUNGARY'S DISCRETIONARY LICENSING REFERRED
TO IN PARA. 2D ABOVE, POST SHOULD INFORM WASHINGTON AS TO
OUTCOME OF MEETING WITH OFFICIALS OF HUNGARIAN LICENSING
DEPARTMENT (PARA. 1, REF. A) AND ANY DETAILS REGARDING
RELATIONSHIP BETWEEN FOREIGN TRADE PLANS AND IMPORT
LICENSING (REF. B). WE ARE NOT CONVINCED BY NYERGES'
EXPLANATION THAT THERE ARE NO PLANNED IMPORTS AND THERE-
FORE NO BASIS FOR CLAIM BY U.S. DEL TO GATT WORKING PARTY
THAT ONLY PLANNED IMPORTS RECEIVE LICENSES. IN ADDITION,
POST SHOULD SEND WASHINGTON DETAILS ABOUT GLOBAL QUOTA
FOR CONSUMER GOODS (PARA. 7, REFTTEL B), INCLUDING SPECIFIC
GOODS TO WHICH QUOTA APPLIED, SIZE AND POSSIBLE SCHEDULE
FOR PHASING-OUT OF QUOTAS.

4. WASHINGTON IS ALSO CONSIDERING NEGOTIATING TARIFFS
BILATERALLY WITH HUNGARY. WHILE THE U.S. CANNOT NEGOTIATE
TARIFF REDUCTIONS WITH HUNGARY IN GATT BODIES ESTABLISHED
FOR THAT PURPOSE, USG CAN DISCUSS SPECIFIC OFFER RATES WITH
A VIEW TOWARDS THEIR REDUCTION. (REF. D). IT IS OUR
UNDERSTANDING THAT HUNGARY HAS OFFERED TO APPLY THE SWISS
FORMULA WITH A COEFFICIENT OF 16 TO ITS COLUMN II RATES.
ADDITIONAL TARIFF REDUCTIONS MIGHT NEVERTHELESS BE SOUGHT

BY USG ONCE WE RECEIVE MFN, AND POST SHOULD THEREFORE
ASCERTAIN WHICH PRODUCTS MIGHT BE PRINCIPALLY SUPPLIED
FROM U.S. WE ARE ESPECIALLY INTERESTED IN EMBASSY'S
ASSESSMENT WITH RESPECT TO BTNS 84.10, 84.11, 84.12,
84.15, 84.22, TO 84.28, 84.44, 84.46, 84.43, 85.01, 85.21
AND SCIENTIFIC AND CONTROLLING INSTRUMENTS AND ANY OTHER
PRODUCTS IN WHICH WE COULD BE EXPECTED TO BE COMPETITIVE

WITH EC, DESPITE LATTER'S PROXIMITY TO HUNGARY.

5. ACTION REQUESTED: PLEASE SUBMIT ANY INFORMATION YOU
MAY HAVE REGARDING ITEMS ABOVE, BOTH GENERAL TARIFF AND
NONTARIFF MEASURES AND THOSE SPECIFICALLY LISTED BY
JUNE 23, IN ORDER THAT ANY REQUESTS OF HUNGARY CAN BE
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DEVELOPED AND TABLED BY THE LATTER PART OF JUNE. VANCE

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Concepts: TRADE AGREEMENTS, TARIFF SCHEDULES
Control Number: n/a
Copy: SINGLE
Draft Date: 19 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
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Format: TEL
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Handling Restrictions: n/a
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ISecure: 1
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Litigation Codes:
Litigation History:
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TAGS: ETRD, HU, US, MTN
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